



EINDHOVEN PLANT, recovered from war damage, bettered prewar production in 1948.

# Philips Surges Back in World Market

Dutch company exported 38% more last year than prewar. Now, spurred by devaluation, it plans for increased U. S. trade.

Thanks to devaluation, a Dutch-made electric shaver has begun to make a name for itself in the U.S. market. The shaver, the Norelco, is a product of Philips, the big Netherlands electric-appliance company whose headquarters are at Eindhoven.

When the Dutch government devalued the guilder by 30%, the Norelco overnight became a competitive item. Its price tag dropped from \$22.50 to \$16.50, putting it several dollars under comparable domestic shavers. At that point Philips began to put real money into U.S. advertising.

• **Known Repute**—The Philips name, of course, was known in the U.S. long before the Philips shaver appeared on the scene. The Dutch company has long had an American subsidiary—North American Philips. In the past year or so, half a dozen U.S. television producers have been buying a projection unit called Protelgram produced here by the subsidiary. Since devaluation, Philips has found it more economical to supply the American market from its main plant at Eindhoven.

Philips, in fact, is taking a careful look these days to see what other products it can profitably export to the U.S. Up for consideration are television tubes, X-ray tubes, radios, hearing aids, film projectors, and electron microscopes.

• **Pleasing Prospects**—Accession by the U.S. to expand its dollar exports would

suit the Netherlands government to a "t." The Hague is working out plans now to boost Dutch exports to the U.S. from about \$50-million a year to \$100-million. And Dutch trade officials know that can't be done merely by expanding the sale of tulip bulbs.

In fact, if The Hague wants to sell more industrial products in the U.S., the most natural place for it to get help is Philips Incandescent Lamp Works. The company is now Holland's biggest industrial enterprise.

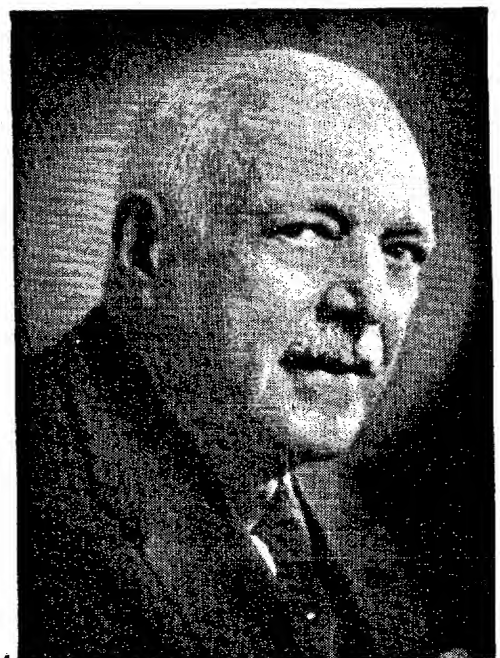
• **History**—As its name implies, Philips started out as a maker of light bulbs. That was in 1891. By 1903, Philips was the third largest producer of incandescent lamps in Europe.

It was the combined genius of two brothers that produced this success and the others that followed. Gerard Philips, who was in at the start, supplied the technical leadership. He kept the company in the forefront as the metal-filament lamp came along in 1907, and the coiled-filament, gas-filled lamp in 1914. In 1914, Gerard established a research department that was the beginning of the well-known Philips laboratories.

Anton Philips joined his brother in 1895 and brought to the infant company financial and sales acumen. When brother Gerard retired in 1922, Anton took over the production side of the business. It was he who launched Philips into

the radio and X-ray field in the 1920's. Today Anton Philips is board chairman at the age of 75, after 55 years of continuous service.

• **Far-Flung Empire**—The industrial empire that Anton Philips directs is not vast by American standards, but it would be sizable by any measuring stick. Total assets were \$260-million at the end of 1948. Subsidiaries abroad accounted for about one-quarter of this total. Ownership is 85% Dutch, 8%



TOP PLANNER is 55-year man Anton Philips.

*Typical piece in magazine not necessarily correct but giving some general background info*

*NOT CORRECT U.S. Philips companies independent*

American, 4% French, and 2% British.

Philips has 20 plants in Holland and subsidiaries in 29 foreign countries. It employs 80,000 workers throughout the world. Of the total, 34,500 are at work in the Netherlands, 23,000 at Eindhoven, and 11,500 in 19 other Dutch plants. There are roughly 1,000 employees in the U.S.

• **Branching Out**—It was during the thirties that Philips branched out into fields other than lighting and electrical appliances. The company moved into electronics, telecommunications, electro-acoustics. It also began to supply equipment for industrial processes such as welding, and it added products in glass, ceramics, plastics, paper, and pharmaceuticals. Since World War II, the big push in both research and production has been in nonlighting fields.

In the past four years new subsidiaries have been formed to produce glass, paper, machinery, wire, carbon-resistors, diamond drills, and vitamin D.

• **Better Than Prewar**—Despite extensive war damage to its Eindhoven plants, the company had its production back to prewar by early 1947. In 1948 production was 55% more than 1938; this year there will be a further gain.

Philips exports are up, too. In 1948 they were 38% more than prewar. Though the company publishes no figures, a safe estimate would put last year's exports at more than \$70-million. In 1949 foreign sales will be even higher. For 1950 the key question in Eindhoven is not how big over-all exports will be, but how much dollar exports can be pushed up.

Over  
100,000